

CHAPTER 3

AUTHORIZED PROGRAMS

A. GENERAL

The DPAS is designed to be largely self-executing. However, the preferential scheduling of defense contracts and orders does not take place until an authorized Government contracting officer makes the contract a "rated order. " This is done by the contracting officer or the authorized representative placing a priority rating in the appropriate block on the face of the contract or purchase order, specifying required delivery dates, adding the statement found in 15 CFR 700.12(d), (Reference (b)), and signing the contract or purchase order. In turn, prime contractors are required by DPAS to extend the priority rating to lower tier contractors and suppliers, thereby making all lower tier contracts and orders "rated orders. "

B. DETERMINING IF A CONTRACT MAY BE RATED

1. Assign a priority rating to all defense contracts and purchase orders (to include commercial items) in support of authorized programs unless prevented by the limitations in 15 CFR 700.18 (reference (b)) or as listed below.

2. Do not assign a priority rating to defense contracts or purchase orders for items excluded by the DoC in DPAS Delegation 1:

a. Items may not be directly procured by or for DoD using Delegation 1 authority, unless those items are to be used as production materiel for an authorized Program.

b. Civilian items procured for resale in military exchanges or packaging for such items.

c. Items purchased exclusively from retail establishments.

d. Items to be used primarily for administrative purposes, such as for personnel or financial management.

e. Any items that do not directly support logistics, tactical, or operational Program requirements (e.g., typewriters and furniture)-, liaison vehicles (e.g., passenger aircraft and cars) , and personal items of clothing and equipage (e.g., T-shirts, insignia, and unauthorized personal items) .

3. Restrictions also apply to use of ratings when purchasing computer systems and/or peripheral equipment:

a. The DoD Components shall use priority ratings only when the computer system and/or peripheral equipment will become an integral part of an end item that is necessary to conduct strategic or tactical military operations; necessary for logistics support of military operations; or necessary for research and development (R&D) , production, testing, or construction at Government-owned facilities.

b. Defense contractor requests to use priority ratings for the acquisition of computers and peripheral equipment as privately-owned capital equipment shall be processed on DD form 691 (section D.). Authorization shall not be granted until the request is thoroughly evaluated by the appropriate Administrative Contracting Officer/Procuring Contracting Officer (ACO/PCO) to assure the equipment: —

(1) Is to be used for defense-related R&D, production, or construction purposes (i.e. , computer-aided design, testing, production control) .

(2) Is needed to ensure timely deliveries on priority rated defense contracts and purchase orders for authorized programs.

(3) Has the smallest capacity available that is sufficient to meet all defense related requirements.

c. Priority ratings shall not be used when the equipment will be:

(1) Financed by the DoD Components with nonappropriated funds.

(2) Used primarily for administrative or business purposes such as financial management, insurance programs, commissary or base exchange operations, or personnel, education, and training programs.

C. SELECTING THE CORRECT PRIORITY RATING

1. Follow 15 CFR 700.11 (reference (b)) to select the correct priority rating. Apply a DO rating to all contracts and purchase orders supporting DO-rated programs. Apply the DX rating to all contracts and purchase orders supporting an authorized DX Program. (See MUL for guidance.)

a. A DX rating may be used to support portions of a DO-rated Program when:

(1) An end item or component from a DO-rated Program is needed to directly support the DX-rated program's schedule, and/or,

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(2) The DO-rated Program item's scheduled delivery will not satisfy the DX Program requirements; or,

(3) A significant risk of delivery delay caused by competing rated programs is present in the manufacturing supply chain.

b. When use of a DX rating is determined to be appropriate, the DO-rated Program office shall obtain a statement from the DX-rated Program office confirming the DX rating and required delivery dates for the DO-rated Program item(s). DPAS regulation requirements to distinguish between DX and DO-rated items on each contract or purchase order shall be followed.

2. Select the appropriate Program identification symbol from DPAS Schedule 1. (See Appendix A.) Use only Program identification symbols for which DoD is shown as a "Delegate Agency."

3. Select the Program symbol that best *covers* the items to be acquired. For example:

a. A contract for aircraft engines would use "A1," for missiles "A2," for miscellaneous "C9," etc.

b. A contract for furnishing production equipment to be owned by the Government would use "B9."

4. If there seems to be a choice, select the more specific of the Program symbols. For example:

a. A contract for aircraft would use "A1," which would apply to all contractor-furnished equipment including electronics.

b. A contract for Government-furnished electronic equipment to go into the aircraft would use "A7."

D. OBTAINING RATING AUTHORITY FOR ITEMS LIMITED BY 15 CFR 700.18

1. 15 CFR 700.18(a) (reference (b)) addresses general limitations on placing rated orders. Procedures for authorizing the use of priority ratings to support acquisition of items covered by these limitations are in subsections D.2. through D.5 below. DPAS section 700.18(b) addresses jurisdictional limitations covering those items that are under the authority of other agencies and therefore excluded from DoC authority; thus the DPAS does not apply to such items.

2. Rating Orders for Production and Construction Equipment

a. Persons delegated authority pursuant to Section C of Chapter 2 may authorize priority ratings for the following:

(1) Production equipment required to support DOD programs when the equipment is necessary for timely performance of rated orders and timely delivery of the equipment cannot be obtained otherwise.

(2) Construction equipment when the equipment is used for authorized DoD construction projects and timely delivery of equipment cannot be obtained otherwise.

b. Priority ratings for purchases of production or construction equipment by contractors may be authorized by using DD Form 691.

c. The contractor submits the DD Form 691 to the CAO DPAS Officer for initial review and concurrence/nonconcurrence with the request. Upon completion of the review by the CAO DPAS Officer, a recommendation (concurrence or nonconcurrence) is forwarded to the procuring activity DPAS Officer or through the procuring activity DPAS Officer to a person delegated this authority. Either the procuring activity DPAS Officer or the person delegated authority determines if the requirements in the following paragraphs d. through h. are satisfied. If the requirements are satisfied, the approved DD Form 691 is forwarded to the contractor via the CAO DPAS Officer for action. The approval shall designate whether a DO or DX rating is authorized. The rating level is determined by the highest program rating to be supported by the production or construction equipment.

d. Criteria for DPAS officer approval of DD Form 691:

(1) The nonavailability of like equipment in the contractor's plant being used on rated or unrated orders.

(2) Delay of rated defense contracts would occur if the application were disapproved.

(3) The *capacity* deficiency cannot be resolved by authorizing overtime on critical machine operations.

e. Production equipment for which priority ratings may be authorized includes:

(1) Machine controls and devices.

(2) Scientific instruments and equipment needed for" research and development.

(3) Tools, jigs, dies, fixtures, and major repair parts necessary to fulfill a defense contract if the items cannot be rated as maintenance, repair and operation (MRO) supplies.

(4) Equipment for service contractors in support of authorized programs, whether or not the service contract is rated.

(5) Computer systems and peripheral equipment that will be used for defense-related research and development, production, testing, or construction purposes (i.e., computer-aided design, testing, production process control) .

f. A priority rating may not be used or authorized for use by a defense contractor for the acquisition of a "super computer" without the written approval of the ASD(ES) . Super computers are defined as computer equipment and peripherals that are comparable (within 10 percent) to the fastest machines available for general purpose use.

g. A separate authorization to use a priority rating is not required for production equipment that is to be installed as part of a construction project (includes acquisition and installation of the equipment) .

h. Borderline cases and requests for exceptions or for further guidance on these policies should be referred to higher headquarters for consideration on a case-by-case basis.

3. Rating Authority in Advance of a Rated Prime Contract

a. 15 CFR 700.51(c) (reference (b)) authorizes a person to request a priority rating for orders before actually receiving a rated order. Requests for SPA for this purpose shall be submitted to the PCO in accordance with 15 CFR 700.51(c) (2) (reference (b)) and support the request by responding to the criteria in 15 CFR 700.51(c) (3) (reference (b)) .

b. The PCO shall send the Request for SPA, according to internal instructions, to the cognizant operating DPAS officer, who will review and act on the request according to procedures in Chapter 5 of this Manual.

4. Rating Authority for Coproduction and Other International Defense Programs

Refer to Chapter 7.

5. -Rating Authority for Other Items Under DoC Jurisdiction

Priority ratings may be authorized by DoC for the acquisition of any items excluded from rating under 15 CFR 700.18(b)(3) (reference (b)). Persons requesting ratings on such items shall document that the items are necessary for timely performance of rated orders and timely delivery of the items cannot be obtained otherwise. This justification will accompany

the Request for Special Priorities Assistance (Form ITA-999), (to be replaced by BXA-999 upon depletion of ITA-999 forms), and with DoD sponsorship be submitted to the DoC. (See Chapter 5.)

Federal Supply Classifications
Classes, Groups, and Items Not Eligible
For Priority Ratings

Group

- 35 Services and trade equipment---except:
 - 3510 Laundry and dry cleaning equipment
 - 3520 Shoe repairing equipment
 - 3530 Industrial sewing machines and mobile textile repair shops
 - 3540 Wrapping and packaging machinery
- 71* Furniture
- 72* Household and commercial furnishing and appliances---except:
 - 7240 Household and commercial utility containers
- 73* Food preparation and serving equipment---except:
 - 7310 Food cooking, baking, and serving equipment
 - 7320 Kitchen equipment and appliances
 - 7360 Sets, kits, and outfits---food preparation and serving
- 74** Office machines, visible recording equipment, and data processing equipment
- 75* Office supplies and devices
- 77* Musical instruments, phonographs, and home-type radios
- 78* Recreational and athletic equipment
- 79* Cleaning equipment and supplies
- 85* Toiletries

Figure 3-1, Federal Supply Classification Classes, Groups, and Items Not Eligible for Priority Ratings

Group

87+ Agricultural supplies

91*+ Fuels, lubricants, oils, and waxes---except

9135 Liquid propellant fuels and oxidizers,
chemical base

9150 Oils and greases---cutting, lubricating,
and hydraulic

9160 Miscellaneous waxes, oils, and fats

94' Nonmetallic crude materials---except

9420 Fibers---vegetable, animal, and synthetic

99* Miscellaneous

Class

7630 Newspapers and periodicals

7660 Sheet and book music

8325 Fur materials

9610 Ores

* The DoC will consider requests for special priority rating authorization in the procurement of these items.

** This group does not include general purpose automated data processing equipment, software, supplies, and support equipment.

+ Only those items subject to DoC authority as delegated by E.O. 12919 (reference (f)).

Figure 3-1, Federal Supply Classification Classes, Groups, and
Items Not eligible for Priority Ratings, continued